



Got \$200? 2 Cheap Stocks to Buy Right Now

Description

The best part about shares is that you can start investing with whatever amount you have. Even a small investment of \$200 a month can turn into 200K in 20 years at a modest annualized return of 12%. This significant growth is due to the power of compounding and a disciplined approach towards buying stocks at regular intervals and holding them a long time.

If you can spare \$200 a month, here are my top two picks that are trading cheap and could deliver more than 12% average annualized returns to help you generate significant wealth in the long term.

Lightspeed

Omnichannel, commerce-enabling platform provider **Lightspeed** ([TSX:LSPD](#))([NYSE:LSPD](#)) is a solid long-term bet. Notably, concerns over its growth and investors' negative sentiment on tech stocks dragged Lightspeed lower.

For context, Lightspeed stock has fallen more than 83% from its highs and trading cheap on valuation. Lightspeed stock is trading at the next 12-month enterprise value-to-sales multiple of 2.8, which is significantly lower than its historical average.

Despite concerns, Lightspeed's business continues to grow rapidly while its organic growth impresses. Its products targeting retail and restaurant operators are witnessing healthy adoption, which is encouraging. Further, easing restrictions is leading to higher in-store shopping and outdoor dining, driving demand for its omnichannel commerce platform.

Further, Lightspeed's focus on expanding its customer location footprint, the introduction of new modules to drive average revenue per user, and growing payment penetration augur well for growth. Moreover, its selective acquisitions increase its market penetration, help it enter new verticals and accelerate product development.

With Lightspeed shares trading at a significant discount, and its business benefitting from multiple catalysts, it is poised to deliver solid growth in the long term.

Telus

Telus ([TSX:T](#))([NYSE:TU](#)) stock has the potential to deliver strong returns on the back of its profitable growth. Further, this telecommunication company consistently enhances its shareholders' returns through higher dividend payments. What's more? Investors can capitalize on the [5G revolution](#) by investing in Telus stock.

Telus aggressively invests in its network infrastructure and focuses on expanding its PureFibre network. Further, its capital investments will increase the coverage and speed of its 5G capabilities. These initiatives will strengthen its positioning in the domestic market and help acquire new customers.

Telus is expected to benefit from strong mobile and fixed customer growth. During the last reported quarter, Telus added 24,000 mobile and fixed customers. Further, its superior bundled offerings and strong broadband network drive customer loyalty and lead to lower churn.

Higher sales and improved margins in the mobility segment will likely support its bottom line. Moreover, the momentum in DLCX (Telus International) bodes well for growth.

While Telus is poised to deliver returns, investors are expected to benefit from its stellar dividend-growth program and share buybacks. Telus is targeting mid to high-single-digit growth in its dividend over the coming years. Moreover, its strong cash flows indicate that it could continue repurchasing its stock.

Investors can earn a well-protected dividend yield of 4.5% by investing in Telus stock.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:LSPD (Lightspeed Commerce)
2. NYSE:TU (TELUS)
3. TSX:LSPD (Lightspeed Commerce)
4. TSX:T (TELUS)

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